



January 2026

**Ted Stevens Anchorage International Airport
Master Plan Update
Chapter 6 – Capital Program and Financial Feasibility**





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Anchorage International Airport
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FINAL

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State of Alaska

Department of Transportation & Public Facilities

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Prepared by RS&H, Inc. at the direction of
Ted Stevens Anchorage International Airport

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Preface

The Ted Stevens Anchorage International Airport (Airport) Master Plan Update (Master Plan Update) provides Airport management and the Alaska Department of Transportation & Public Facilities (DOT&PF) with a strategy to develop the Ted Stevens Anchorage International Airport. The intent of the Master Plan Update is to provide guidance that will enable Airport management to strategically position the Airport for the future by maximizing operational efficiency and business effectiveness, as well as by maximizing property availability for aeronautical development through efficient planning. While long-term development is considered in master planning efforts, the typical planning horizon for the Master Plan Update is 20 years.

The Federal Aviation Administration provides guidance for Master Plan development in FAA Advisory Circular 150 / 5070-6B, *Airport Master Plans*. Although not required, the Advisory Circular strongly recommends airports prepare a Master Plan. Funding for the Master Plan Update is provided primarily by the Federal Aviation Administration through an Airport Improvement Program grant.

A comprehensive Master Plan Update was last prepared between 2012 and 2014. This Master Plan Update was initiated in December 2021 and is anticipated to conclude in 2025. The DOT&PF entered into a contract with the firm RS&H to lead this effort. The Master Plan Update included a comprehensive public and stakeholder involvement program.

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Acronyms and Abbreviations

AAAC	Airport Airline Affairs Committee
AAC	Aircraft Approach Category or Alaska Administrative Code
AACC	Anchorage Airport Communications Committee
AAD	Annual Average Day
AADT	Annual Average Daily Traffic
AAGR	Average Annual Growth Rate
AC	Advisory Circular
ACHP	Advisory Council on Historic Preservation
ACMI	Aircraft, Crew, Maintenance, and Insurance
ACMP	Anchorage Coastal Management Plan
ACRP	Airport Cooperative Research Program
ADAPT	Annual Delay and Activity Performance Times
ADEC	Alaska Department of Environmental Conservation
ADF	Aircraft Deicing Fluid
ADF&G	Alaska Department of Fish and Game
ADG	Airplane Design Group
ADNR, OHA	Alaska Department of Natural Resources, Office of History and Archaeology
ADOLWD	Alaska Department of Labor and Workforce Development
AEDC	Alaska Economic Development Corporation
AFSC	Anchorage Fueling and Service Company
AGL	Above Ground Line
AHPA	Alaska Historic Preservation Act
AHRS	Alaska Heritage Resource Survey
AIAS	Alaska International Airport System
AIDEA	Alaska Industrial Development and Export Authority
AIP	Airport Improvement Program
Airport	Ted Stevens Anchorage International Airport
AIT	Advanced Imaging Technology
AMATS	Anchorage Metropolitan Area Transportation Study
ANGB	Air National Guard Base
AOA	Air Operations Area
APDES	Alaska Pollutant Discharge Elimination System
APU	Auxiliary Power Units
ARC	Airport Reference Code
ARFF	Aircraft Rescue and Fire Fighting
AS	Alaska Statute
ASDA	Accelerate-Stop Distance Available
ASDE	Airport Surface Detection Equipment

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ASIG	Aircraft Service International Group
ASPM	Aviation System Performance Metrics
ASR	Airport Surveillance Radar
ATCT	Airport Traffic Control Tower
AWMP	Anchorage Wetlands Management Plan
AWWU	Anchorage Water and Wastewater Utility
BAT	Best Available Technology
BGEPA	Bald and Golden Eagle Protection Act
BMPs	Best Management Practices
BRAC	Base Realignment and Closure
BRL	Building Restriction Line
CAA	Clean Air Act
CAD	Computer-aided Design
CATS	Compliance Activity Tracking System
CBIS	Checked Baggage Inspection System
CBP	Customs and Border Protection
CBRA	Checked Baggage Resolution Area
CCSF	Certified Cargo Screening Facility
CDS	Consolidated De-Icing Services
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CESQG	Conditionally Exempt Small Quantity Generator
CFC	Customer Facility Charge
CFR	Code of Federal Regulations, or Crash / Fire / Rescue
CIP	Capital Improvement Plan
CO	Carbon Monoxide
Coastal Trail	Tony Knowles Coastal Trail
COD	Chemical Oxygen Demand
CONRAC	Consolidated Rental Car Facility
CUPPS	Common Use Passenger Processing Systems
CZMA	Coastal Zone Management Act
DHS	Department of Homeland Security
DME	Distance Measuring Equipment
DNL	Day-night Average Sound Level
DO	Dissolved Oxygen
DOT	U.S. Department of Transportation
DOT&PF	Alaska Department of Transportation and Public Facilities
EAS	Essential Air Service
EDS	Explosive Detection System

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EMS	Environmental Management System
EOC	Emergency Operations Center
EQA	Equivalent Aircraft
ETD	Explosive Trace Detection
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulation
FBO	Fixed Base Operator
FCC	Federal Communications Commission
FEMA	Federal Emergency Management Agency
FIRMs	Flood Insurance Rate Maps
FIS	Federal Inspection Service
FMRA	FAA Modernization and Reform Act of 2012
FY	Fiscal Year
GA	General Aviation
GPS	Global Positioning System
GRE	Ground Run-Up Enclosure
GSE	Ground Service Equipment
HLB	Heritage Land Bank
IAS	International Aviation Services, Inc.
IATA	International Air Transport Association
IBC	International Building Code
IFR	Instrument Flight Rules
IFT	International Freight Terminal
ILS	Instrument Landing System
INM	Integrated Noise Model
ISER	Institute of Social and Economic Research (at the University of Alaska Anchorage)
JBER	Joint Base Elmendorf-Richardson
LDA	Landing Distance Available
LOC	Localizer
LOS	Level of Service
LUST	Leaking Underground Storage Tank
MOA	Municipality of Anchorage
MSA	Metropolitan Statistical Area
MSGP	Multi-Sector General Permit
MSL	Mean Sea Level
MTOW	Maximum Takeoff Weight
NAAQS	National Ambient Air Quality Standards
NAC	Northern Air Cargo
NADP	Noise Abatement Departure Profiles

NAMS	Northern Air Maintenance Services
NAVAID	Navigational Aid
NCP	Noise Compatibility Program
NDB	Non-directional Beacon
NEMs	Noise Exposure Maps
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination System
NPIAS	National Plan of Integrated Airport System
NPL	National Priorities List
NRHP	National Register of Historic Places
O&D	Origin and Destination
O&M	Operations and Maintenance
OAIASS	Optimize AIAS Strategy
OER	Operating Expense Ratio
OFA	Object Free Area
OFZ	Obstacle Free Zone
OSR	On-Screen Resolution
PAL	Planning Activity Level
PAPI	Precision Approach Path Indicator
PCC	Portland Cement Concrete
PCI	Pavement Condition Index
PDARS	Performance Data Analysis and Reporting System
PFAS	Per- and Polyfluoroalkyl Substances
PFC	Passenger Facility Charges
PM-10	Particulate Matter with a Diameter of 10 Microns or Less
PM-2.5	Particulate Matter with a Diameter of 2.5 Microns or Less
QTF	Quick-Turnaround Facility
RCRA	Resource Conservation and Recovery Act
RDC	Runway Design Code
RNAV	Area Navigation
ROFA	Runway Object Free Area
RON	Remain Overnight
RPZ	Runway Protection Zone
RSA	Runway Safety Area
RSIP	Residential Sound Insulation Program
RTR	Remote Transmitter Receiver
SCS	Sterile Corridor System

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SHPO	State Historic Preservation Office(r)
SIDA	Security Identification Display Area
SIP	State Implementation Plan
SSCP	Security Screening Checkpoint
STEP	South Terminal Expansion Project
SWPPP	Stormwater Pollution Prevention Plan
TACAN	Tactical Air Navigation
TDG	Taxiway Design Group
TERPS	Terminal Instrument Procedures
TODA	Takeoff Distance Available
TORA	Takeoff Run Available
TRACON	Terminal Radar Approach Control
TSA	Transportation Security Administration
UPS	United Parcel Service
USDA-WS	U.S. Department of Agriculture - Wildlife Services
USEPA	U.S. Environmental Protection Agency
USFWS	U.S. Fish and Wildlife Service
USPS	United States Postal Service
VASI	Visual Approach Slope Indicator
VFR	Visual Flight Rules
VOCs	Volatile Organic Compounds
VOR	Very High Frequency Omnidirectional Range
WAAS	Wide Area Augmentation Systems
WADP	West Anchorage District Plan
WBI	Whole Body Imaging
WHA	Wildlife Hazard Assessment
WHMP	Wildlife Hazard Management Plan

6.1 Introduction

The preceding chapters of this Master Plan identified an aviation demand forecast, and the future facilities needed at Ted Stevens Anchorage International Airport (ANC) to meet that forecast demand, as well as the facilities needed to maintain and improve airport safety. This chapter presents an implementation and funding plan for these infrastructure improvements, and begins with an overview of the development process, recent funding levels and outlook for future funding from federal, state, and local sources. Funding from federal and state sources, specifically the Federal Aviation Administration (FAA) and Alaska Department of Transportation and Public Facilities (DOT&PF) comprise a substantial portion of capital funding for Airport improvements. The plan presented in this chapter relies upon funding trends and future outlook from these funding sources, and is organized as follows:

This chapter is organized to provide:

- Overview of project implementation process
- Current approved 5-year Capital Improvement Plan (CIP) (projects prior to this Master Plan)
- Description of historical and projected funding, along with relevant airport financial data
- Updated 20-year CIP, including cost estimates
- A phasing plan for the 5-year, 10-year, and 20-year planning activity levels (PAL), including detailed project descriptions and the underlying rationale.
- Evaluation of the feasibility of funding the updated 20-year CIP.

The updated 20-year CIP includes rough order-of-magnitude (ROM) costs based on reasonable design and construction estimations, and projects are phased into three planning activity level (PAL) periods to guide decision-making and development in a manner that aligns with activity demand. Some projects are included beyond PAL 3, which are recommended for implementation if demand continues to increase.

This chapter concludes with an assessment of the feasibility of funding the projects included in the CIP.

6.1.1 Implementation Process

Implementing airport infrastructure improvement projects often begin years before construction starts. The major implementation steps for complex, federally funded Airport Improvement Program (AIP) projects are shown in **Figure 6-1**, illustrating that work should commence a minimum of five years prior to the actual need for the facility. This lead-in time is usually very helpful for coordination with the FAA and/or DOT regarding funding, environmental entitlement, and other regulatory compliance requirements, as well as time to complete site or facility design and construction.

Figure 6-1
Typical Steps to Complete an Airport Project

Typical Steps at Least Four Years Prior to Construction

- ☐ Identify the project in the approved Airport Layout Plan (ALP) and consult with FAA Alaskan Region
- ☐ Submit 5-year CIP (*by February 1st*)
- ☐ Validate project justification and funding eligibility and identify funding sources
- ☐ Determine probable level of environmental review (*planning may need to begin much earlier if Environmental Impact Statement [EIS] required*)
- ☐ Determine if ALP and/or Exhibit 'A' need updating
- ☐ Identify required flight procedure modifications and need for aeronautical survey
- ☐ Coordinate with local officials and airport users on project plans

Typical Steps Three Years Prior to Construction

- ☐ Refine project scope, cost estimates, and funding sources
- ☐ Determine if a Benefit/Cost Analysis or if FAA Letter of Intent (LOI) are necessary
- ☐ Determine if a reimbursable agreement is necessary for affected navigational aids (NAVAIDs)
- ☐ Initiate aeronautical survey as required
- ☐ Begin purchase or assembly of all necessary land for the project

Typical Steps Two Years Prior to Construction

- ☐ Refine project scope
- ☐ Solicit professional design services
- ☐ Prepare preliminary design, site planning, and cost estimates
- ☐ Initiate reimbursable agreements and coordinate any NAVAID requirements with the FAA
- ☐ Complete aeronautical survey and submit requests for new/modified flight procedures with the FAA
- ☐ Submit a request for airspace review of projects under non-rulemaking authority (NRA)
- ☐ Begin Benefit/Cost Analysis if determined to be necessary (*projects seeking over \$5M discretionary*)
- ☐ Initiate environmental assessment or categorical exclusion documentation
- ☐ Coordinate with local officials and airport users on refined project scope and schedule

Typical Steps One Year Prior to Construction

- ☐ Complete airspace study
- ☐ Complete project scope of work
- ☐ Complete environmental documentation
- ☐ Complete 90 percent design, plans, and specifications after FAA environmental findings are made
- ☐ Refine and update cost estimates
- ☐ Execute reimbursable agreements to support NAVAIDs, if relevant
- ☐ Prepare and coordinate Construction Safety Phasing Plan
- ☐ Initiate Safety Management Systems (SMS) process
- ☐ Secure all necessary local funding
- ☐ Secure environmental and other necessary permits

(Figure continued next page)

- ☐ Submit Benefit/Cost Analysis (*by March 1st*)
- ☐ Coordinate Safety Risk Management Panel with FAA-ATO or FAA-ARP, as necessary
- ☐ Finalize construction bidding, grant application, and grant acceptance schedules

Year of Construction

- ☐ Complete 100 percent design, plans, and specifications
- ☐ Complete FAA environmental documentation for current fiscal year (*by January 15th*)
- ☐ Advertise and secure bids according to ADO schedule
- ☐ Submit grant applications (*by May 1st, if discretionary funds expected bid by April 1st*)
- ☐ Accept federal grants (*within 30 days of offer*)
- ☐ Coordinate with local officials and airport users on the progress and schedule
- ☐ Issue notice-to-proceed
- ☐ Monitor environmental mitigation requirements during construction
- ☐ Provide weekly inspection reports

After Construction

- ☐ Submit final report and provide final test results (*within 60 days of construction end*)
- ☐ Close any accepted federal grants (*within 90 days of project acceptance*)
- ☐ Monitor environmental mitigation measures
- ☐ Submit final As-Built ALP and Exhibit 'A'

Note: Dates shown reference the process within the Federal Fiscal Year (FFY).

Source: Federal Aviation Administration - "Steps to AIP Funding for Your Airport Project: Quick Reference Guide", March 2016.

6.1.2 NEPA Implementation Process

The environmental entitlement for projects within each development phase, which involves obtaining necessary approvals and permits in compliance with applicable federal rules and regulations, will need to be completed in advance of the design and construction to allow for project completion. FAA Order 1050.1F, Policies and Procedures for Considering Environmental Impacts, and 5050.4B, National Environmental Policy Act (NEPA) Implementing Instructions for Airports, require the evaluation of airport development projects as they relate to specific environmental impact categories.

Environmental Assessments (EAs) and Environmental Impact Statements (EISs) represent the most rigorous forms of environmental analysis, requiring a comprehensive assessment of impact categories in accordance with FAA Orders 1050.1F and 5050.4B. In contrast, Categorical Exclusions (CATEXs) demand evaluations of exceptional circumstances to confirm that projects, which usually have minimal environmental impacts, do not warrant more extensive analysis in an EA or EIS.

The updated 20-year CIP, as detailed in **Section 6.4** includes five projects that may require EAs in PAL 3 and PAL 4 periods: P4 Aircraft Hardstand and Taxiway P Extension, North Terminal Expansion, Logistics Drive, New Parking Lot in East Airpark, and an Airfield Tunnel. An EIS is anticipated for a new north-south runway designated Runway 15R-33L and New Taxiways in West Airpark in PAL 4. A description and justification of these and all projects are in **Section 6.4**.

Review of other projects at the planning-level during the preparation of the CIP determined that the threshold of “extraordinary circumstances” as defined in FAA Order 1050 1F will not be met; therefore, it is anticipated that environmental work to advance projects will not require more than CATEX documentation. Costs shown for projects in the CIP include CATEX, EA, and EIS documentation as part of the respective design efforts for each project.

As projects advance through the planning period, it is possible that additional projects could be found to have an extraordinary circumstance (such as impacts to more than 0.5 acres of wetlands, threatened or endangered species, or known cultural resources), which necessitates an EA. It is important to highlight that the final determination regarding the type of NEPA document required for each project, as well as its scope, rests with the FAA and will not occur until a detailed scope for is developed as the need for the project draws nearer.

6.2 Current FAA-Approved Capital Improvement Plan

Airport staff maintains a spending plan for projects at the Airport, which are aimed at maintaining and improving the safe and efficient operations of airport infrastructure. **Table 6-1** summarizes the Alaska International Airport System (AIAS) capital spending plan for ANC¹ during State fiscal years (FY) 2024 through FY 2032, and future projects that have not been programmed to occur in a definite year or have been delayed due to other priorities. As shown, the capital spending plan for AIAS at the Airport surpasses \$936 million, of which \$324.6 million is identified as AIAS funds and \$611.6 million in Non-AIAS funds.

Table 6-1
Existing AIAS Spending Plan for ANC, 2022-2033 & Future Projects

Fiscal Year	Project Costs	Non-AIAS Funds	AIAS Funds
FY 2024	\$87,629,539	\$58,082,720	\$29,546,819
FY 2025	\$140,514,083	\$103,061,766	\$37,452,317
FY 2026	\$84,224,299	\$56,004,057	\$28,220,242
FY 2027	\$151,723,720	\$116,551,865	\$35,171,855
FY 2028	\$95,187,897	\$76,323,204	\$18,864,693
FY2029	\$53,538,929	\$26,126,706	\$27,412,223
FY 2030	\$122,743,124	\$92,933,409	\$29,809,715
FY 2031	\$57,239,434	\$34,412,354	\$22,827,080
FY 2032	\$22,923,437	\$3,189,167	\$19,734,270
FY 2033	\$24,528,347	\$3,412,408	\$21,115,939
Future	\$95,908,070	\$41,453,600	\$54,454,470
Total	\$936,160,880	\$611,551,256	\$324,609,624

Source: Airport Staff, 2024.

¹ Costs include \$14.9 million in passenger entitlements and discretionary grants for projects at Lake Hood (LHD).

This spending plan includes the most current breakdown of funding anticipated by source for every project, including:

- AIP cargo and passenger entitlements
- AIP discretionary grants
- Bipartisan Infrastructure Law (BIL) Airport Infrastructure Grants
- BIL Airport Terminal Program grants
- AIAS local match funding for AIP-eligible projects
- AIAS funds for non-AIP-eligible projects
- Passenger Facility Charge (PFC) funds
- Bond funds, and
- Other funding, such as FAA Supplemental and FAA reimbursable project costs, etc.

The updated CIP for ANC presented in **Section 6.4** incorporates projects from this current spending plan, which are funded and have been programmed for the near, and mid-term PAL periods 1 and 2, as follows:

- Taxiway Z West Extension Phase 1, PAL 1
- Taxiway Z East Extension, PAL 1
- Taxiway Y Cargo Apron Hardstands, PAL 2
- Taxiway Z West Extension Phase 2, PAL 2

These projects are being funded by a combination of FAA discretionary and BIL Airport Improvement Grant (AIG) grants.

6.3 Airport Funding Outlook

Many sources of funds are tapped each year to meet capital development needs as indicated in the current ANC spending plan.

This section explores and assesses historical and anticipated funding levels from federal, state and local sources, which provides background for development of the recommended CIP and implementation plan for ANC.

6.3.1 Federal Funding Outlook

The primary federal sources of funding available to the DOT&PF for projects at ANC are grants from the FAA's AIP, the 2021 Bipartisan Infrastructure Law, and revenues generated from participation in the FAA's PFC program. By receiving federal funding for capital improvement projects, the DOT&PF has an obligation to adhere to federal grant assurance requirements. These assurances obligate the DOT&PF to comply with applicable federal law and guidance

under the Code of Federal Regulations (CFR) Title 14, FAA Advisory Circulars, FAA Orders, and FAA Memos.

6.3.1.1 *Airport Improvement Program*

Federal funding is accessible to airports through the AIP based on the airport category designated in the National Plan of Integrated Airport Systems (NPIAS) and the priority of the improvement as determined within the national priority ranking system. As of the latest NPIAS update, ANC is categorized as a primary medium hub airport and is eligible for passenger entitlement and cargo entitlement funding.

Passenger entitlements funding is available for airports with annual passenger boardings exceeding 10,000. Entitlement funding is calculated annually based on a graduated scale where more activity qualifies airports for more entitlement funds, with a minimum of \$1.0 million and maximum of \$26 million per airport annually. AIAS receives between \$2.0-3.0 million annually in passenger entitlement grant funds.

Cargo entitlements come from an allocation from the total amount of AIP funds available for grants and is distributed among airports with greater than one million pounds of landed weight. Each airport's cargo entitlement is calculated on a pro-rata basis according to an airport's share of total U.S. landed cargo weight. ANC is consistently among the top of U.S. airports in landed weight and received the largest 2024 cargo entitlement allocation of more than \$12.6 million.

Entitlement funds must be used within three fiscal years immediately following the year the funds were originally allocated. Since 2014, based on the Airport's NPIAS categorization and share of national passenger levels, ANC has received approximately \$15.5 million in passenger and cargo entitlement grant funds per fiscal year.

Discretionary grants are also available through the AIP, subject to the availability of funds and the FAA's assessment of need and project priority ranking. Discretionary funding is based on a project's ranking in the National Priority List, as outlined in FAA Order 5100.39A, *Airports Capital Improvement Plan*. The Airport has received an average of nearly \$19 million annually in Discretionary grant awards. The Airport was awarded more than \$32 million in Supplemental Discretionary funds in FY 2021 and 2022 from an AIP Supplemental Appropriation 2021-2023². Supplemental Discretionary funds are derived from the United States General Fund and are not subject to existing AIP discretionary formulas or set asides.

² [Airport Improvement Program \(AIP\) 2021-2023 Supplemental Appropriation | Federal Aviation Administration](#), February 2025.

6.3.1.2 Bipartisan Infrastructure Law

In November 2021, the Bipartisan Infrastructure Law was signed by the President of the United States that included a reserve for airport development to be invested in various projects, including runways, taxiways, safety, and sustainability initiatives, as well as terminal, airport-transit connections, and roadway projects. The distribution of these funds is overseen by the FAA's Office of Airports (ARP). These investments are intended to enhance and improve the overall capabilities and facilities of airports across the country. The BIL includes three funding allocations for airports, two of which are available to ANC for development, the AIG and the Airport Terminal Program (ATP). The third funding allocation was reserved for FAA internal use for the rehabilitation and development of FAA-owned facilities. BIL funding sources are available for the five-year duration of federal fiscal years 2022 through 2026.

6.3.1.3 Airport Improvement Grant

The AIG allocates \$15 billion (or \$3 billion per year from 2022-2026) across all airports currently within the NPIAS, employing a comparable process and methodology to the AIP based on airport classification and passenger activity levels. The BIL AIG program has allocated more than \$70.9 million during the FY 2022-2025 period to ANC. Grants of about \$16.5 million have been awarded through October 1, 2024³. Approximately \$54.5 million remains available to the Airport from the program⁴.

AIG funding supplements AIP entitlement and other potential discretionary grants awarded to the Airport, adopting the same use and eligibility parameters as AIP funding, but with added eligibility for Passenger Facility Charge (detailed in **Section 6.3.1.5**) use. The funds allocated through the BIL will remain available for obligation until the conclusion of the fourth fiscal year following their distribution. If any funds remain unobligated by the fifth fiscal year, they are recovered and repurposed for competitive grants. This ensures that the allocated funds are effectively used for infrastructure projects within the specified time frame, and any unused funds are redirected towards other deserving projects through a competitive grant process.

6.3.1.4 Airport Terminal Program

The ATP allocates \$5 billion (or \$1 billion per year from 2022-2026) in supplemental discretionary funding specifically for the development and/or improvement of airport passenger terminal facilities. The ATP requires a unique application process and maintains the same eligibility use scenarios as the AIP, but with a greater federal share of project costs based on airport classification. For ANC, this means a higher federal share for eligible projects, reflecting its status as a primary major hub. The window for applications in each fiscal year opens with a

³ Source: [Bipartisan Infrastructure Law - Airport Infrastructure Grants \(AIG\) | Federal Aviation Administration](#), February 2025.

⁴ Ibid.

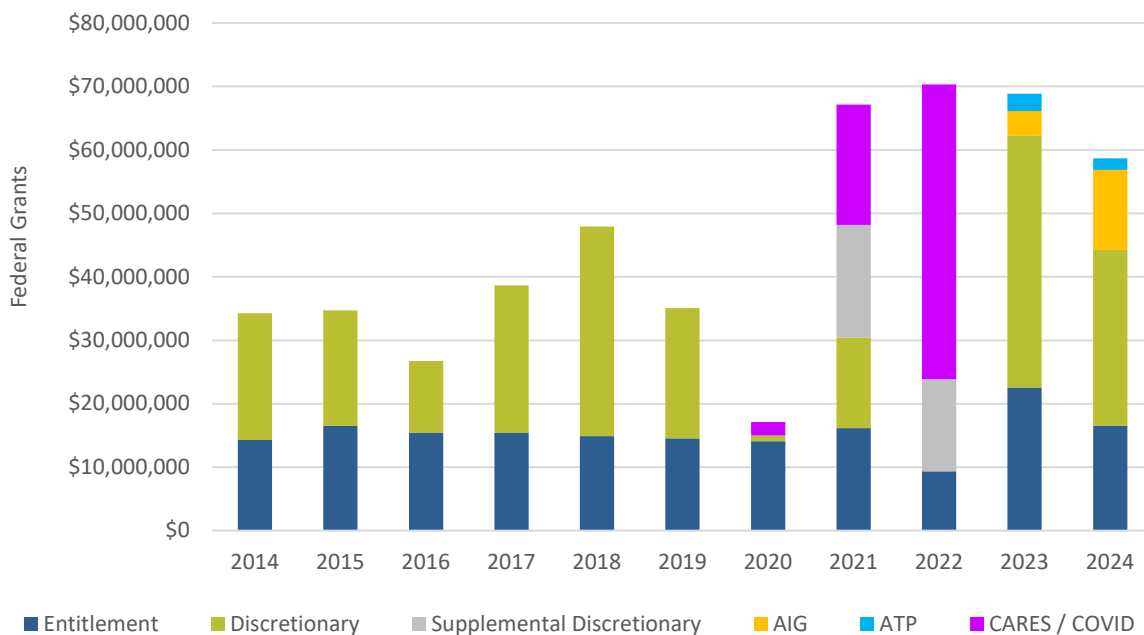
Notice of Funding Opportunity (NOFO). As of this writing, nearly \$14.7 million in ATP grants have been announced for ANC. Over \$4.5 million has been awarded for FY 2022 through FY 2025 to replace passenger boarding bridges, improve baggage handling systems, common use equipment, and other terminal information systems upgrades. A NOFO for FY 2026 ATP grants is anticipated for July 2025.

Figure 6-2 illustrates funding levels from FAA entitlement, discretionary, Covid, ATP, and BIL AIG sources for 2010-2024.

Entitlement grants are a steady and somewhat predictable source of funding for ANC since it follows a percentage share of national passenger levels. Discretionary grants are competitive, where the FAA determines grant awards at the project level based upon a project's ranking and assessment of need. During the onset of the Covid pandemic in 2020, the composition of funding sources at ANC made less use of discretionary grant awards as discretionary supplemental and Covid relief programs became available nationwide.

In total, ANC has received nearly \$500 million in federal capital funding support over the last decade.

Figure 6-2
ANC Federal Funding History, FY 2014-2024



Source: FAA, Grant Histories, 2025.

6.3.1.5 Passenger Facility Charges

In addition to AIP funds, ANC is authorized by the FAA to collect PFCs to support eligible projects that enhance safety, security, or capacity; reduce noise; or increase air carrier

competition. Under the PFC program, commercial airports (those controlled by public agencies only) can collect up to \$4.50 for every eligible passenger per flight segment. This means that for a one-way trip, a maximum of two PFCs can be charged, and for a round trip, up to four PFCs can be charged, with a total cap of \$18.00. PFCs are collected by air carriers during ticket sales and are subsequently remitted to the Airport, with a handling fee of \$0.11 per collected PFC deducted.

When AIAS began participating in the FAA PFC program in 2000, the program allowed collection at a rate of \$3.00 per passenger per flight segment, with a maximum of \$12.00. Since that time, AIAS has maintained a PFC collection level of \$3.00, with a maximum of \$12.00. Airlines at ANC retain the \$0.11 per collected PFC, and AIAS incurs some expenses for administering the program. These expenses are eligible for reimbursement by PFC collections for airports imposing a PFC; therefore, the net amount of PFC revenues available for approved projects is less than the \$3.00 collected per passenger.

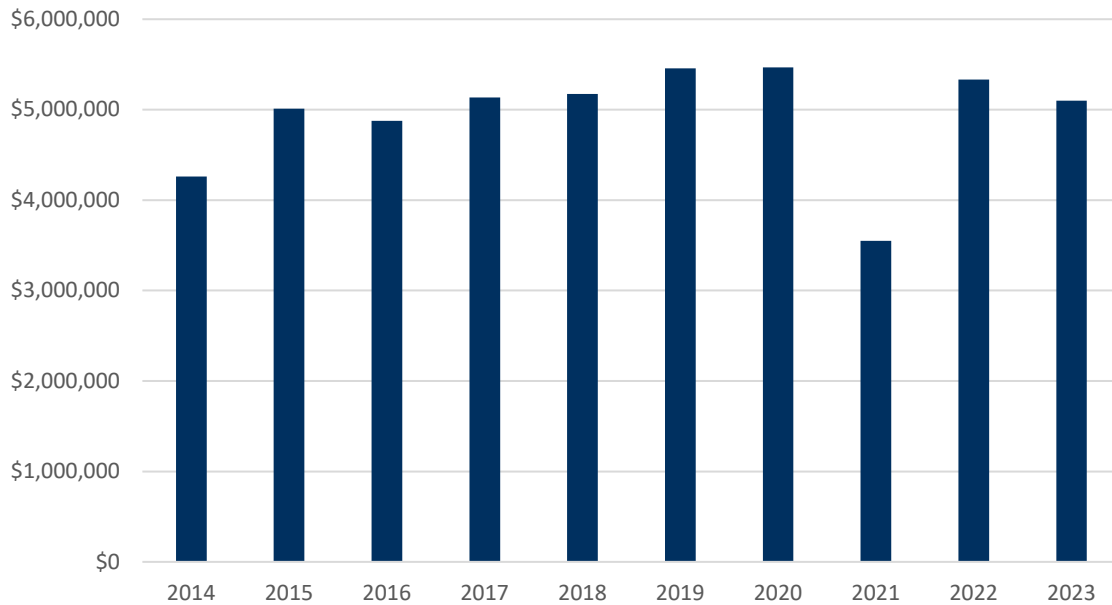
The Airport's most recently approved PFC application provides collection authority at \$3.00 per flight segment through May 2029, based on current enplanement levels. The current PFC application is approved to collect more than \$29 million and will be used to fund the replacement of 11 passenger boarding bridges at the North Terminal and South Terminal over a five-year period.

The Airport's cumulative collection authority under the PFC program is more than \$135 million, which has been used primarily to pay debt service on General Airport Revenue Bonds (GARBs) that fund terminal improvements at ANC. An increase of PFC collection level from \$3.00 to \$4.50 would speed up the rate of collections and improve PFC revenues annually; however, this would not change the overall amount of allowable project costs, would shorten the duration of the approved collection period, and will reduce annual passenger entitlement funding as detailed in the AIP Handbook⁵.

Figure 6-3 illustrates recent PFC revenues, which average roughly \$5 million annually. PFC revenues will continue to provide valuable support to the long-range capital program for ANC.

⁵ Per 49 USC § 47114(f), the amount of entitlement funds for large and medium hub airports collecting a PFC are reduced based on the PFC collection level approved for the airport. If the airport is collecting at \$3.00 or less, the amount of entitlements is reduced by 50%. If the airport is collecting more than \$3.00, the amount of entitlements is reduced by 75%.

Figure 6-3
ANC PFC Revenues, 2014-2023



Source: Airport staff, FAA Form 5100-127, 2024.

5.3.1.1 Customer Facility Charges

Collections from Customer Facility Charges (CFC) and Facility Maintenance Charges (FMC) represent additional revenue sources available to AIAS for certain projects at ANC. Revenues from CFCs and FMCs at the Airport are collected to pay for the ongoing maintenance and operations of rental car facilities. Unlike PFCs, implementing CFCs and FMCs do not require approval from the FAA or any other federal agency. Instead, both fees are negotiated and implemented contractually between the DOT&PF and rental car companies. The revenues generated from these fees at ANC are restricted use, designated to service debt on bonds sold to finance construction of the ANC consolidated rental car facility.

This Master Plan Update does not identify any necessary capital improvements to the rental car facilities at ANC.

6.3.2 State and Local Funding Outlook

The AIAS is an enterprise of the State of Alaska, and the monies received by the AIAS for rents and fees are deposited into the International Airport Revenue Fund (IARF). As an enterprise fund the AIAS operates similarly to private businesses, and its services are primarily self-supporting through user charges and fees from AIAS' three airports. As a system of airports, the overall funding outlook for implementing the recommended capital program for ANC will depend

substantially on the financial position of the AIAS as managed by the DOT&PF and the allocation of resources among these three facilities.

Overall, the AIAS audited financial statements for year-end 2023⁶ (Financial Report) point to positive market position due to stable debt profile, secured reserves, resilient passenger and cargo activity, and a flexible capital program. A major accomplishment of fiscal year 2023 was a new, 10-year, fully residual AIAS Operating Agreement and Passenger Terminal Lease (OAPTL), that was executed by 33 air carriers. The OAPTL is a key component of AIAS's financial position, which benefits from a fully residual cost recovery basis where AIAS can recover a majority of its operating and maintenance expenses in the airfield and terminal through 2033.

Additionally, AIAS realized over \$43.7 million in capital contributions via federal grants. Together, these components of the AIAS operating profile position the agency well for undertaking capital improvements necessary to accommodate future demand.

Highlights of the AIAS Fiscal Year 2023 Financial Report include:

- AIAS reported operating revenues of approximately \$126 million, an increase from the \$85.9 million recorded in fiscal year 2020. This growth reflects a recovery in passenger and cargo activities, with passenger traffic rebounding to near pre-pandemic levels. Operating expenses for the same period were about \$102 million, resulting in an operating income of \$24 million. This positive operating income underscores the system's capacity to generate surplus funds from its core operations.
- AIAS received approximately \$50 million in capital contributions, including federal AIP grants and bond proceeds, to fund major capital projects. Significant capital projects in 2023 included terminal upgrades, infrastructure maintenance, and sustainability initiatives like energy efficiency improvements. About 70 percent of these funds were allocated to ANC, given the Airport's higher traffic volume and infrastructure demands.
- AIAS collected approximately \$20 million in PFCs during FY 2023. These funds are crucial for financing capital projects related to airport safety, capacity, and security.

Looking ahead, ANC remains in a dominant position globally, ranking among the top four airports worldwide for cargo volume and second in the U.S. for cargo aircraft landed weight. ANC is also in a dominant position in passenger air travel and is the gateway between Alaska and the Lower 48 states.

⁶ State of Alaska International Airport System, Financial Statements and Supplementary Information, Year Ended June 30, 2023.

This performance, strategic location and role in global cargo and passenger travel contribute to AIAS' positive credit ratings, its ability to issue bond debt for both new projects and the early maturity of older revenue bond issues. One example is on January 23, 2025, AIAS completed the sale of \$67.75 million in revenue refunding bonds (Series 2025A). On January 15, 2025, AIAS priced the Series 2025B revenue refunding bonds in the amount of \$50.21 million with an estimated July 8, 2025, closing. The proceeds of these bond sales are being used in part to repay higher interest bonds issued in 2016. Upon closure, the overall transaction will result in an economic gain of approximately \$8.9 million for AIAS. Moody's Investors Service assigned an 'Aa3' rating to the 2025 revenue bonds with a stable outlook citing AIAS's strong market position in cargo transfer operations, its monopoly on air service within Alaska, a conservative debt structure and effective management practices.

AIAS's revenue bond indenture requires ANC to collect sufficient rates and charges to the airlines for use of its facilities each year to provide net revenues of at least equal or exceeding 125 percent of debt service requirements during that year, also known as debt service coverage ratio (1.25). ANC's portion of net revenues have exceeded the amount required to pay debt service since 1999. The Airport has historically produced an excess of net revenues required for debt service payments, which in FY 2023 achieved a ratio of net revenue to debt service of 3.43⁷. Preliminary, unaudited financial performance for 2024 indicates a ratio of 4.00.

Based on audited FY 2023 and FY 2024 preliminary debt service coverage ratios reported by the State of Alaska⁸ and credit ratings, AIAS is in a position to issue additional revenue bond debt in the short-term, at a level that could surpass \$600-900 million⁹.

For these reasons, AIAS's financial outlook is optimistic, and implementation of the ANC CIP can proceed in alignment with passenger and air cargo activity levels and demand for the 20-year planning period.

6.4 Airport Development Phasing and Funding Plan

This section outlines a development phasing and funding plan for ANC, provides detailed project descriptions, and identifies enabling projects where applicable. The 20-year CIP for the Airport is organized into the following phases:

- Near-term phase (PAL 1) - projects over the initial years of the master planning horizon (2025-2027),

⁷ State of Alaska, Department of Revenue, Alaska Public Debt 2024-2025, January 2025.

⁸ Ibid.

⁹ RS&H, Inc. is not a registered municipal advisor under Section 15B of the Securities and Exchange Act and this statement shall not be construed as financial advice or advisory services.

- Mid-term phase (PAL 2) – projects during years six through ten of the master planning horizon (2028-2032)
- Long-term phase (PAL 3) - projects are expected to occur within the last ten years (2033-2042) of the master planning horizon.

A summary of the CIP project list by programmed term and budget year along with estimated costs is shown in **Table 6-2**.

The cost estimates for each project are ROM calculations and include estimates of environmental entitlement costs (NEPA), design and related costs (i.e., compliance and permitting), and construction. The ROM costs utilize estimated areas and unit cost factors and are escalated from 2024 dollars to last year of the PAL within which they are anticipated to be implemented. The cost escalations used sources available from the Municipality of Anchorage and State of Alaska ¹⁰. ROM estimates are valuable in the early planning stages to gauge the scale of funding needs and identify shortfalls to implementing the proposed projects. As projects progress through environmental documentation and design, more detailed and accurate cost estimates will be developed to refine the budgeting and funding requirements.

¹⁰ *State of Alaska Escalation Cost Study*, April 2023

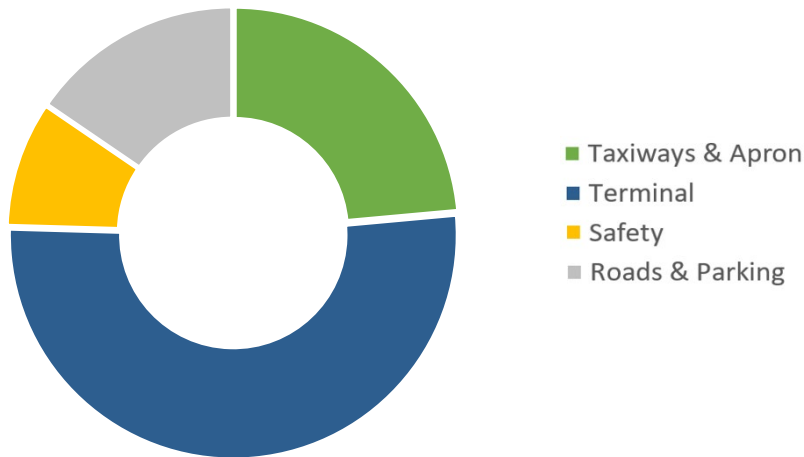
Table 6-2
ANC Capital Improvement Plan, 2024-2042 (thousands)

Proj. No.	Project	Total Project Cost	FAA Participation					AIAS Funds	
			Cargo Entitlements	Passenger Entitlements	AIP Discretionary	BIL AIG	BIL ATP	AIP Match / Share	Non-AIP Eligible
PAL 1 (2025-2027)									
1	FedEx Buildout	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Realigned Point Woronzof Road / West End Road	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000
3	ACCS Buildout	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Taxiway Z West Extension Phase 1 (Taxiway R to Taxiway H)	\$53,000	\$12,205	\$3,050	\$31,257	\$0	\$0	\$6,487	\$0
5	NorthLink Buildout	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	North End Tug Road Extension	\$13,000	\$0	\$0	\$0	\$0	\$0	\$0	\$13,000
7	A Concourse Expansion	\$23,000	\$0	\$0	\$0	\$2,221	\$11,909	\$1,971	\$6,900
8	Taxiway Z East Extension (Taxiway E to Runway 25L end)	\$112,000	\$0	\$0	\$98,291	\$0	\$0	\$13,709	\$0
9	B Concourse Expansion	\$228,000	\$0	\$0	\$0	\$47,926	\$0	\$6,684	\$173,390
10	Park, Ride, and Fly Lot Expansion	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
11	USFW Buildout	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PAL 1		\$458,000	\$12,205	\$3,050	\$129,548	\$50,146	\$11,909	\$28,851	\$222,290
PAL 2 (2028-2032)									
12	West Airpark Cargo Expansion Phase 1	\$196,000	\$0	\$0	\$172,010	\$0	\$0	\$23,990	\$0
13	North Hold Pad	\$25,000	\$14,458	\$3,670	\$3,812	\$0	\$0	\$3,060	\$0
14	New ATCT	FAA	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Taxiway Z West Extension Phase 2 (Taxiway H to Runway 7R end)	\$79,000	\$1,623	\$0	\$67,707	\$0	\$0	\$9,670	\$0
16	Anchorage Airport Partners Buildout	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	C Concourse Expansion	\$308,000	\$0	\$3,800	\$0	\$0	\$0	\$530	\$303,670
18	New Parking Garage at Lot F	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	\$220,000
19	Relocated ARFF Station	\$210,000	\$30,901	\$3,839	\$75,838	\$0	\$0	\$15,422	\$84,000
20	Fuel Farm Expansion	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	South Airpark Infill and Eastward Expansion for GA Development	Private	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PAL 2		\$1,038,000	\$46,982	\$11,309	\$319,366	\$0	\$0	\$52,672	\$607,670
PAL 3 (2033-2042)									
22	P4 Aircraft Parking Position and Taxilane P Extension	\$37,000	\$15,869	\$3,878	\$12,724	\$0	\$0	\$4,529	\$0
23	New Connector Taxiway from Runway 25L End to Taxiway K	\$39,000	\$16,155	\$3,918	\$14,154	\$0	\$0	\$4,774	\$0
24	North Terminal Expansion	\$642,000	\$0	\$7,958	\$0	\$0	\$0	\$1,110	\$632,932
25	Logistics Drive	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
26	New Parking Lot in East Airpark	\$41,000	\$0	\$0	\$0	\$0	\$0	\$0	\$41,000
Total PAL 3		\$789,000	\$32,100	\$15,800	\$26,900	\$0	\$0	\$10,500	\$704,000
Total CIP		\$2,285,000	\$91,400	\$30,300	\$475,900	\$50,200	\$12,000	\$92,100	\$1,534,000

Source: Airport Records, RS&H Analysis, 2025.

Figure 6-4 summarizes the 20-Year Capital Program for ANC by category, showing where on the Airport investments are being made.

Figure 6-4
ANC 20-Year Capital Program by Project Category



Source: Airport Records, RS&H Analysis, 2025.

Capital projects are illustrated in **Figure 6-5** and **Figure 6-6**. Projects shown on **Figure 6-6** are recommended for beyond the 20-year period and their costs are not in the 20-year CIP.

Preparation of this 20-year CIP made use of the following methodology and assumptions about funding availability and the use of those funds towards projects in the program:

- Cargo entitlements – annual cargo entitlements were estimated from the Master Plan forecast of cargo landings through the 20-year planning period. The estimates compute the ratio of cargo entitlement funds received (actual) to the number of cargo landings in 2024 and applies this amount to the Master Plan forecast of cargo landings. The use of this ratio computes to \$13.3 million in cargo entitlements in 2024, which aligns with the \$13.0 million average annual allocation in the ANC Spending Plan for that same year. Estimates of annual cargo entitlements include increases at forecast annual growth rates of cargo landing activity.
- Passenger entitlements – passenger entitlement funding was also estimated using the Master Plan forecast of passenger enplanement levels and follows the funding formula detailed in the AIP Handbook¹¹, which computes to about \$3.0 million in 2024. This amount aligns with Spending Plan levels of about \$3.2 million that same year. Passenger entitlement estimates were also escalated over the planning period using Master Plan

¹¹ Table 4-1 AIP Funds by Category, Type, and Calculation, [AIP Handbook](#)

forecast growth rates. The estimates of passenger entitlements includes a change to the formula that decreases the reduction for medium hub airports collecting PFCs at \$3.00 beginning in Federal Fiscal Year 2025.

- Discretionary – funding from AIP discretionary grants was calculated assuming 100 percent eligibility for airfield pavements and about 87 percent participation-based on Chapter 4 of the AIP Handbook¹², which specifies an increased participation for medium hub airports in states with large amounts of public land. Terminal expansion projects were assumed to have AIP discretionary support but at lower eligibility levels. Additionally, estimated discretionary grant funds for projects were reduced by the amount of entitlement funding (cargo and passenger) applied for each project to keep AIP participation within FAA funding guidelines.
- BIL AIG and ATP funds – anticipated funding from BIL AIG grants in the Spending Plan were prioritized for expansions to the A Concourse and B Concourse. ATP grant funds are included in FY 2026 as a recommendation and to identify the funding amount that fits within the program funding guidelines and for use in an application for ATP funds.
- AIAS AIP Match – the AIAS match represents the local match share of AIP eligible funds.
- AIAS Non-AIP Eligible – the Non-AIP eligible fund amount is the remaining, ineligible portion of projects necessary from AIAS to implement the CIP project.

6.4.1 PAL 1 Development Projects

PAL 1 capital improvements encompass projects slated to commence within the initial period (FY 2025 to FY 2027). These projects are phased strategically, and based upon priority, their capacity to enable further advancements, and funding availability.

PAL 1 development projects programmed at ANC are numbered 1-11 in the following list and on **Figure 6-5**. See **Appendix F – Project Pull Pages** for Project Summary Sheets for these projects.

1) FedEx Buildout

This project includes construction of an aircraft parking apron and a cargo sort building. The tenant proposes a new 22-acre aircraft parking apron for nine Airplane Design Group (ADG) II turboprop feeder aircraft, a new 186,000 square foot cargo sort building, and a ground vehicle parking with circulation. The cost of this facility would be borne by the developer/tenant.

¹² Table 4-8 Federal Shares by Airport Classification in Public Land States, [AIP Handbook](#).

2) Realigned Point Woronzof Road / West End Road

This project includes realigning Point Woronzof Road and West End Road to enable additional aeronautical development in the West Airpark. The realigned roadway would continue to provide public access to the West Airpark and other areas owned by the Municipality of Anchorage on the west side of the Airport.

3) ACCS Buildout

This project includes construction of an aircraft parking apron and a cargo sort building. The tenant proposes a new 29-acre aircraft parking apron for eight ADG-VI aircraft (4 of which are power-through capable), a new 80,000 square foot cargo sort building, and ground vehicle parking. The cost of this facility would be borne by the developer/tenant

4) Taxiway Z West Extension Phase 1 (Taxiway R to Taxiway H)

This project would extend Taxiway Z to the west from Taxiway R to Taxiway H. The Taxiway Z extension would be constructed to ADG-VI and Taxiway Design Group (TDG) 6 standards. Realignment of the parallel portion of South Tug Road would be completed as part of this project. Demolition of the Aircraft Rescue and Fire Fighting (ARFF) training facility is required to enable this project.

5) NorthLink Buildout

This project includes construction of an aircraft parking apron and a cargo sort building. The tenant proposes a new 80-acre aircraft parking apron for 15 ADG-VI aircraft (11 of which are power-through capable), a new 90,000 square foot cargo sort building, ground vehicle parking, and a glycol recovery and recycling facility. The cost of this facility would be borne by the developer/tenant.

6) North End Tug Road Extension

This project includes the construction of a new tug road around the north end of Runway 15-33. This tug road extension would be a two-lane at grade road for airside vehicles.

7) A Concourse Expansion

This project would expand the A Concourse by extending the building to the east. The project proposes adding two regional aircraft gates and approximately 6,000 square feet of terminal space. This space would accommodate expanded holdroom space, restrooms, circulation, and retail space.

8) Taxiway Z East Extension (Taxiway E to Runway 25L End)

This project would extend Taxiway Z to the west from Taxiway R to Taxiway H. The Taxiway Z extension would be constructed to ADG-VI and TDG 6 standards. Realignment of the parallel

portion of South Tug Road would be completed as part of this project. Demolition of a portion of an aircraft parking apron in the Kulis Business Park is required to enable this project.

9) B Concourse Expansion

This project would expand the B Concourse to include a "bump out" at the location near Gate L1. This project proposes adding two narrow-body jet aircraft gates and approximately 100,000 square feet of terminal space. This space would accommodate inbound and outbound baggage make-up, holdroom space, restrooms, circulation, the Security Screening Checkpoint (SSCP), and retail space.

10) Park, Ride, and Fly Lot Expansion

This project proposes expanding the Park, Ride and Fly Lot by paving the undeveloped areas around the existing lot. The net growth of parking would be 220 parking stalls.

11) USFW Buildout

This is a tenant-drive project to construct cold storage facilities in the South Airpark for the US Fish and Wildlife Service. The cost of this facility would be borne by the developer/tenant.

6.4.2 PAL 2 Development Projects

PAL 2 capital improvements are those anticipated to begin within the next 5-year period (FY 2028 to FY 2032). These projects build on implementation of PAL 1 projects, their ability to continue momentum and enable other projects, and reflect anticipated funding availability.

PAL 2 development projects programmed at ANC are numbered 12-21 in the following list and on **Figure 6-5**. See **Appendix F – Project Pull Pages** for Project Summary Sheets for these projects.

12) West Airpark Cargo Expansion Phase 1

This project includes the construction of a new aircraft parking apron. The project proposes a new air cargo apron with four power-through aircraft parking positions capable of accommodating ADG-VI aircraft. The project would also include support infrastructure such as ground support building(s) and snow storage area(s).

13) North Hold Pad

Construction of a new hold pad sufficient for large aircraft Maintenance, Repair, and Overhaul (MRO) operations. This facility includes construction of a hold pad for aircraft to conduct maintenance activities, run-ups, and conduct pre-departure activities while not obstructing taxi flow. The project proposed capacity for one ADG-VI aircraft.

14) New ATCT

This project includes the construction of a new Air Traffic Control Tower (ATCT) and TRACON facility. The FAA proposes an approximately 300-foot- tall tower to provide better visibility of the Airport environment and a larger controller cab. The cost of this facility would be borne by the FAA.

15) Taxiway Z West Extension Phase 2 (Taxiway H to Runway 7R End)

This project would extend Taxiway Z to the west from Taxiway H to Runway 7R end. The Taxiway Z extension would construct to ADG-VI and TDG 6 standards. Realignment of the parallel portion of South Tug Road would be completed as part of this project. Demolition of the ANC police training facility is required to enable this project.

16) Anchorage Airport Partners Buildout

This project includes the construction of an air cargo facility. There is an undetermined number of aircraft parking positions, and an undetermined cargo sort building associated with this project.

17) C Concourse Expansion

This project would expand the C Concourse towards the North Terminal. The project proposes two additional narrow-body jet aircraft gates and approximately 120,000 square feet of terminal space. This space would accommodate additional holdroom, circulation, and retail space.

18) New Parking Garage at Lot F

This project would construct a new vehicle parking garage on top of the existing Lot F. The project proposes a four-floor garage with approximately 1,200 parking stalls. The net growth of parking would be 885 parking stalls. Further evaluation of parking pricing, parking capacity, and other parking projects is recommended to guide construction decision and timing.

19) Relocated ARFF Station

This project would be to construct a new ARFF facility in the West Airpark to replace the function of the outdated and undersized ARFF facility in the South Airpark.

20) Fuel Farm Expansion

This project includes construction of additional Jet-A fuel storage tanks and supporting infrastructure in the West Airpark. The tenant proposes an expansion that may double the current size of the fuel farm resulting in a 16.2-acre expansion. The Anchorage Fuel and Service Company is conducting a study to determine the specific size and composition of the facility expansion.

21) South Airpark Infill and Eastward Expansion for GA Development

This project includes the development of new general aviation facilities in the South Airpark. This project accounts for the infill and development of multiple locations within the South Airpark that can be developed by one or multiple developers/tenants. The total area available for development would be approximately 30 acres, divided across three areas in the South Airpark.

6.4.3 PAL 3 Development Projects

PAL 3 capital improvements complete the 20-year master plan CIP for the Airport within the final 10-year period (FY 2033 to FY 2042). PAL 3 projects are numbered 22-26 and are illustrated on **Figure 6-5**. See **Appendix F – Project Pull Pages** for Project Summary Sheets for these projects.

22) P4 Aircraft Parking Position and Taxilane P Extension

This project includes construction of an aircraft parking apron area and a taxilane extension. The project proposes a new air cargo apron area with one power-through aircraft parking position capable of accommodating ADG-VI aircraft located east of P3. The project would also include extension of Taxilane P to provide access to the new parking position.

23) New Connector Taxiway from Runway 25L End to Runway 7L-25R

This project includes construction of a new north-south taxiway that connects Runway 25L end to intersect Runway 7L-25R. The taxiway would be constructed to ADG-VI and TDG 6 standards.

24) North Terminal Expansion

This project would renovate and expand the North Terminal. The project proposes converting some wide-body aircraft parking positions into narrow-body positions. The resulting gate count at the North Terminal would be nine jet gates (6 narrow-body and 3 wide-body). The project also proposes adding approximately 150,000 square feet to accommodate additional passenger security screening, baggage handling, holdroom, circulation, and retail space.

25) Logistics Drive

This project proposes constructing a new public access roadway parallel to Postmark Drive to enable additional aeronautical development in the North Airpark. Postmark Drive may remain in its current location but would be restricted to airport tenant access only.

26) New Parking Lot in East Airpark

This project proposes constructing a vehicle parking lot in the northwest section of the East Airpark. The net growth of parking would be 700 parking stalls.

6.4.4 Ultimate Development Projects

During the development of this Master Plan for ANC, a number of projects were identified and recommended for the Airport that are not currently justified; however, they are included here to be tracked and considered as implementation of the CIP advances during the 20-year planning period. These ultimate development projects are numbered 27-30 and depicted on **Figure 6-6**.

27) West Airpark Cargo Expansion Phase 2

This project includes construction of a new aircraft parking apron. This is the second phase of two phases to implement new a new air cargo apron in the West Airpark. The project proposes a new air cargo apron with 4 power-through aircraft parking positions capable of accommodating ADG-VI aircraft. The project would also include support infrastructure such as ground support building(s) and snow storage area(s). This project enables the shift of air cargo tech stop activity to the West Airpark. This project is part of the larger redevelopment of the West Airpark and is enabled by the Realigned Point Woronzof Rd and North End Tug Road Extension projects.

28) Taxiway K Cargo Apron Hardstands

This project would add aircraft parking capacity to satisfy existing and future air cargo demand.

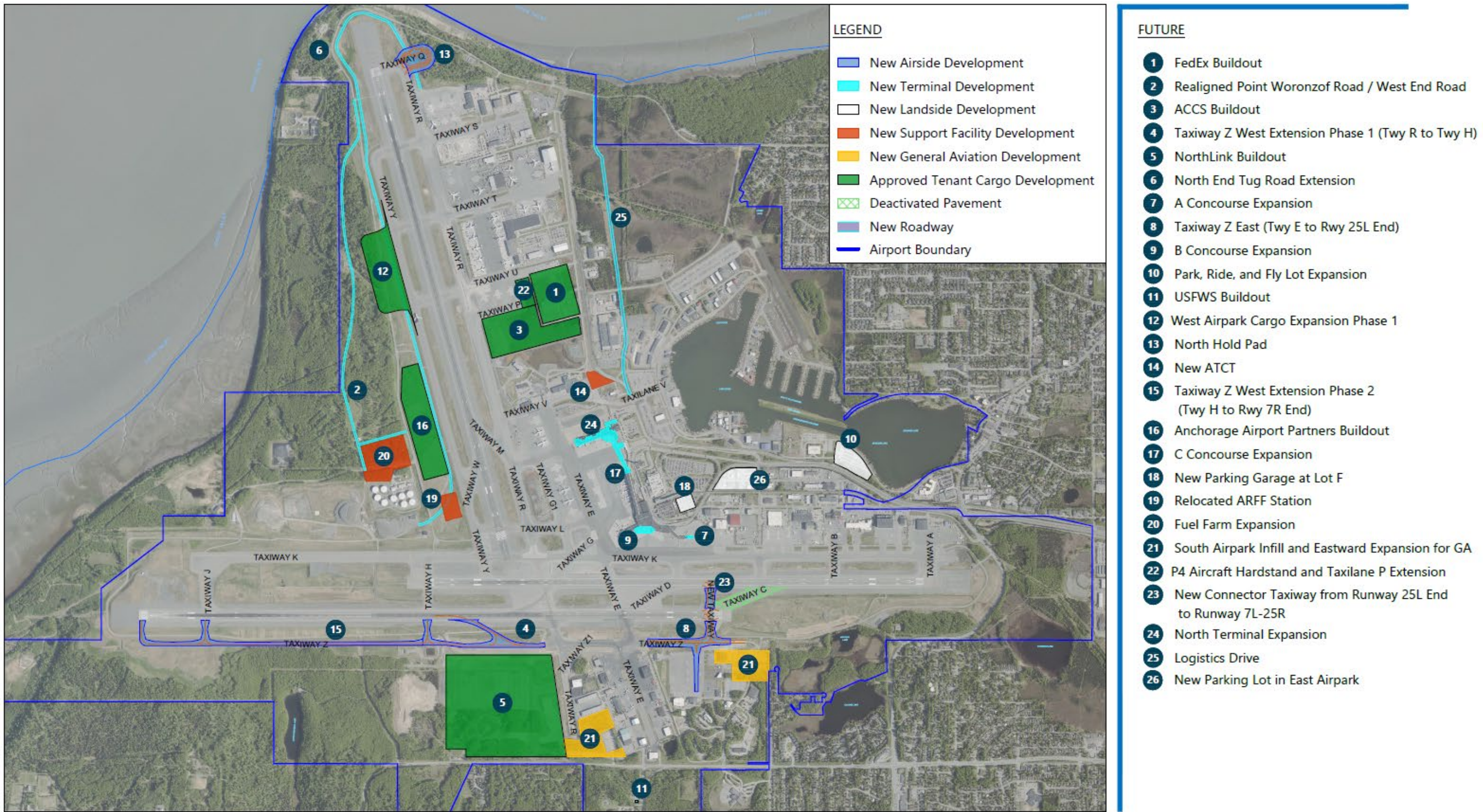
29) Airfield Tunnel

This project would support further aeronautical development in the West Airpark.

30) Runway 15R-33L and New Taxiways

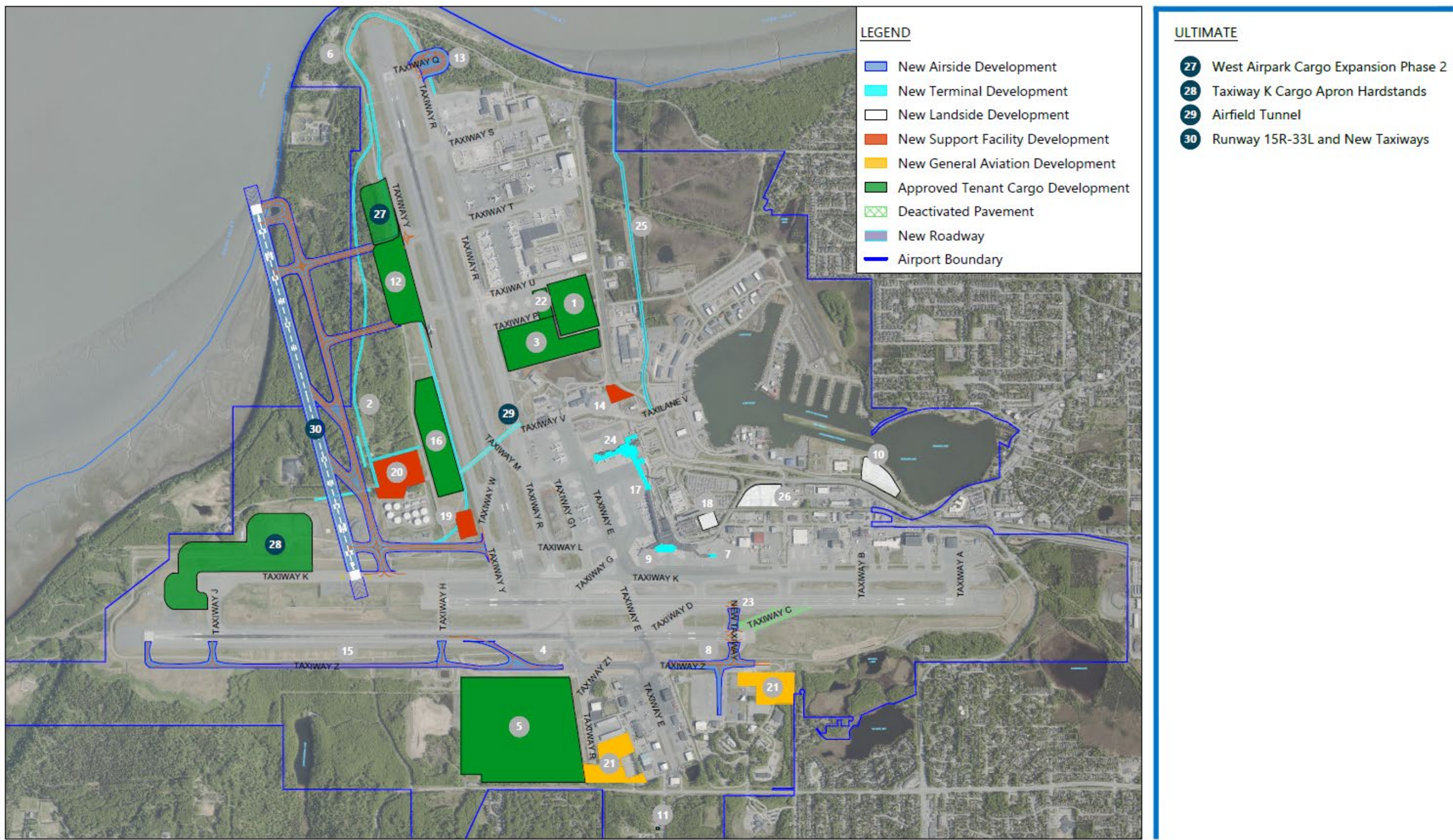
This will be implemented only after the DOT&PF completes a study to determine if another airport within Alaska is better suited to accommodate a new runway. The need for this study (and potential new runway) would be triggered by increased airfield congestion and delay at ANC.

Figure 6-5
Preferred Alternative Project Phasing Plan (Future)



Source: RS&H, 2024.

Figure 6-6
Preferred Alternative Project Phasing Plan (Ultimate)



Source: RS&H, 2024.

6.5 Summary of CIP Funding Needs and Financial Feasibility

This section summarizes the level of funding needed to implement the recommended 20-year CIP at the Airport and highlights:

- the overall timeline and scale of AIAS funding needs to realize the ANC Master Plan CIP,
- considerations for use of BIL AIG allocations in the near-term,
- opportunity for a BIL ATP grant before the end of the program in 2026, and
- strategies for making the most of AIP entitlement funds and positioning for strong discretionary grant requests.

As shown in **Table 6-2**, the capital program funding need for ANC approaches \$2.3 billion in total project costs for the planning period. The CIP indicates a total need of more than \$597 million in AIP entitlement and discretionary grants, \$62 million in BIL AIG and ATP grant funds, and more than \$1.65 billion in AIAS funds, of which about six percent is AIP match funds and 94 percent for non-AIP eligible project funding. **Table 6-3** provides a breakdown of CIP funding needs by period and source.

Table 6-3
Anticipated Funding by Source

	PAL 1	PAL 2	PAL 3	Total
	2025-2027	2028-2032	2033-2042	
Funding Source				
Cargo Entitlement	\$12,300,000	\$47,000,000	\$32,100,000	\$91,400,000
Passenger Entitlement	\$3,100,000	\$11,400,000	\$15,800,000	\$30,300,000
Discretionary	\$129,600,000	\$319,400,000	\$26,900,000	\$475,900,000
BIL AIG	\$50,200,000	\$0	\$0	\$50,200,000
BIL ATP	\$12,000,000	\$0	\$0	\$12,000,000
AIAS AIP Match / Share	\$28,900,000	\$52,700,000	\$10,500,000	\$92,100,000
AIAS for Non-AIP Eligible	\$222,300,000	\$607,700,000	\$704,000,000	\$1,534,000,000
Total	\$458,400,000	\$1,038,200,000	\$789,300,000	\$2,285,900,000

Source: FAA; Airport Financial Records; RS&H Analysis, 2025.

Notes: BIL funding concludes with FY 2026 allocations.

The following sections provide a snapshot of funding needs and strategies for each period.

6.5.1 Near-Term (2025-2027)

In the near-term (PAL 1), funding needs are driven by AIP eligible projects such as the Taxiway Z West and East extensions, which are already included in the AIAS Spending Plan for ANC. These projects are programmed in the CIP for FY 2026 and 2027 and follow over \$65 million of improvements made in FY 2023 to prepare for these construction phases. The funding plan for these projects is programmed to include entitlement (cargo and passenger) and AIP discretionary grant funds.

New projects from this Master Plan for the near-term period of the CIP are as follows:

- Expansions to A Concourse and B Concourse – Terminal projects are eligible for use of BIL AIG grant funds and presents an opportunity for pursuit of a BIL ATP grant in 2026, which is the final year of the BIL ATP program. The CIP includes \$11.9 million in ATP funds as a placeholder for the A Concourse expansion, along with \$2.2 million in BIL AIG allocations, and AIAS funds of about \$2 million in grant share and \$6.9 million in additional AIAS funds to implement the expansion. The AIAS Spending Plan for ANC currently earmarks the above-noted \$2.2 million in BIL AIG grants from 2023 for the Taxiway Z West Extension in 2026. However, use of AIG funds is a better fit for terminal projects than airfield pavement since terminal projects are not eligible for AIP discretionary funding at Medium Hub airports and Taxiway Z improvements achieve a higher National Priority Rating (NPR) score compared to terminal expansions.

Therefore, the CIP also proposes prioritizing the nearly \$48 million in BIL AIG grant funds currently in the Spending Plan for Taxiway Y Cargo Apron Hardstands in 2028 for the B Concourse. At a total cost of \$228 million, the expansion of the B Concourse may not have access to passenger entitlement funding as it will compete for funds programmed for other projects in the Spending Plan for 2027.

Overall, the proposed funding strategy prioritizes the need for expansions to the A Concourse and B Concourse in the near-term and makes use of BIL funds, which may not likely be available by the time the C Concourse expansion would be required.

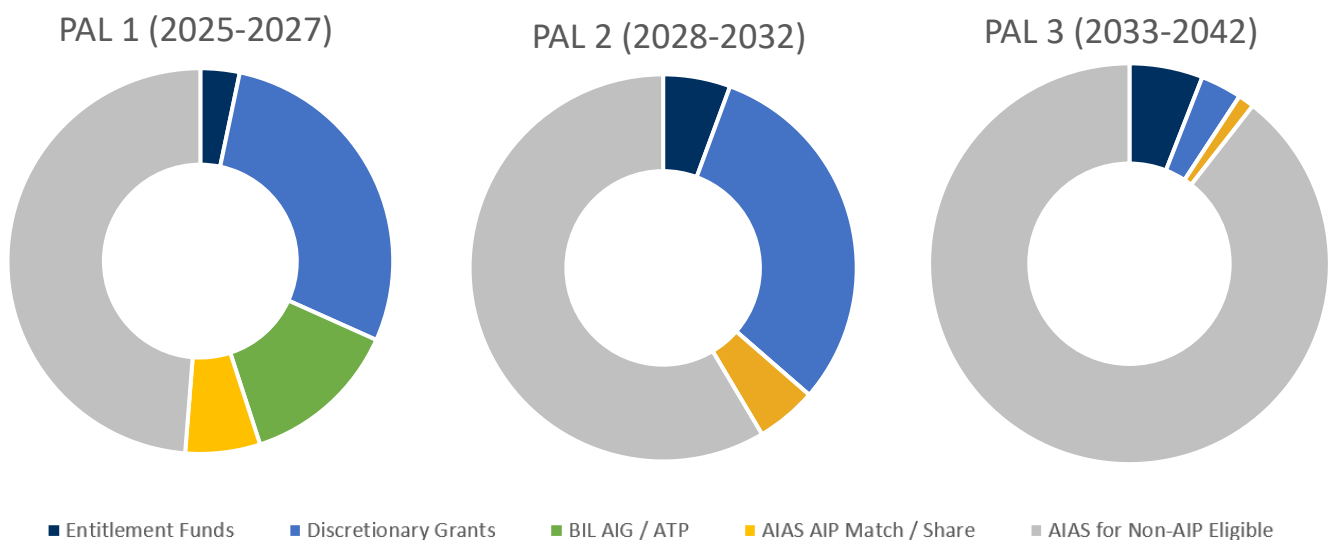
The prioritization of BIL funding for the A Concourse and B Concourse in the near-term still requires substantial AIAS funding support, which amounts to \$189 million in the near-term for those projects alone.

- Roadway and Parking - Two roadway projects and one parking project that are either ineligible or partially eligible for AIP Funds are estimated to cost \$42 million (Realigned Point Woronzof Road, North Tug Road Extension, and Park, Ride, and Fly Lot Expansion).

Together, these new CIP PAL 1 projects will require nearly \$231 million in AIAS funds in addition to those programmed in the Spending Plan, and federal funding for these projects is limited to BIL grant awards of \$14 million.

Figure 6-7 illustrates how funding needs evolve over the planning period. As indicated, AIAS funds account for 55 percent of capital program costs for the near-term (PAL 1) period, which increases to more than 64 percent in mid-term (PAL 2), and over 90 percent for the long-term (PAL 3) period. BIL program funds are available only through Federal Fiscal Year 2026, when the current BIL program expires.

Figure 6-7 Funding Need by Source by Period



Source: FAA; Airport Financial Records; RS&H Analysis, 2025.

6.5.2 Mid-Term (2028-2032)

Moving into the mid-term phase (PAL 2), funding needs surpass \$1 billion, mostly from the following four large AIP-eligible projects that combine for a total cost of nearly \$378 million from federal grant funding and \$52 million in AIAS AIP-match funds:

- West Airpark Cargo Expansion Phase 1
- North Hold Pad
- Taxiway Z West Extension Phase 2, and
- Relocation of the ARFF Station

Development of the mid-term CIP utilized plan evaluated the use of entitlement funding between AIP projects, specifically the newly identified project North Hold Pad as compared to the West Airpark Cargo Expansion Phase 1 as programed in the Spending Plan, both anticipated for 2028. The AIP-eligibility and FAA participation for both projects are anticipated to be the same; however, the North Hold Pad may ultimately score higher as compared to the cargo apron because the Hold Pad can improve aircraft taxi flow due to use for pre-departure activities and run-ups as compared to the more capacity-focused cargo apron.

The addition of C Concourse expansion and a New Parking Garage at Lot F in PAL 2 add more than \$524 million in AIAS funding needs, very little of which will be AIP-eligible or have access to passenger entitlement funding based upon the use of funds to implement other projects in the Spending Plan or CIP.

In the final year of PAL 2 (2032) a relocated ARFF Station is recommended, which is AIP eligible and shown in the CIP to make use of Cargo entitlement funding for 2031-2032. However, the current Spending Plan does include the use of Cargo entitlement funds in those years, for rehabilitation of a portion of Taxiway K, North Terminal improvements at two gates and for equipment. As time approaches for funding these projects, the condition and/or demand for improvements to these facilities and equipment will become clearer and AIAS will implement projects in close coordination with the FAA.

6.5.3 Long-Term (2033-2043) and Beyond

Master Plan projects recommended for the remaining 10-year period reflect long-term needs and could reach \$790 million, with AIAS funding identified to represent 90 percent of period costs. Most of this cost is associated with the North Terminal Expansion, which is estimated to exceed \$640 million. Other projects in the long term depend significantly on passenger and cargo activity continuing as anticipated in the forecast, such as:

- P4 Aircraft Parking Position and Taxilane P Extension
- New Connector Taxiway from Runway 25L End to Taxiway K
- New Parking Lot in East Airpark

Beyond 2042, capital improvements at ANC may include the justification for a new runway and associated taxiway system if airfield activity at ANC creates increases in congestion and delay.

6.6 Conclusion

Overall, the recommended 20-year CIP for ANC accounts for 26 projects that improve airfield and aircraft operations, terminal and landside capacity, safety, traffic and parking, passenger experience, and cargo activity. Twelve of the projects are eligible for federal funding through AIP entitlement, discretionary, or BIL grant funding programs (through 2026 expiration of the BIL

program). The remaining 16 projects are expected to be funded through other sources (e.g., FAA ATC, private).

As described here, the 20-year funding needs for ANC will require federal funding that exceeds historical levels. **Table 6-4** condenses funding for the 20-year CIP into federal and local categories, and includes percentage share of the capital program for ANC.

Table 6-4

Funding Needs by Share, Federal and Local (thousands)

	PAL 1	PAL 2	PAL 3	Total
	2025-2027	2028-2032	2033-2042	
Funding Source				
Federal (AIP, AIG, ATP)	\$207,200	\$377,800	\$74,800	\$659,800
AIAS (AIP Match & Ineligible)	\$251,200	\$660,400	\$714,500	\$1,626,100
Total	\$458,400	\$1,038,200	\$789,300	\$2,285,900
% Share – AIAS / FAA	55% / 45%	64% / 36%	91% / 9%	71% / 29%
Average Annual				
Federal (AIP, AIG, ATP)	\$41,440	\$75,560	\$14,960	\$32,990
AIAS (AIP Match & Ineligible)	\$50,240	\$132,080	\$142,900	\$81,305

Source: FAA; Airport Financial Records; RS&H Analysis, 2025.

Notes: BIL funding concludes with FY 2026 allocations.

As described in **Section 6.3.1** Federal Funding Outlook, federal support for capital program costs at ANC have been \$500 million since 2014, an average annual contribution of more than \$45.4 million. Since 2020, however, the average annual federal funding has increased to nearly \$66.3 million from supplemental discretionary, BIL AIG, BIL ATP, and Covid relief funding. Considering these recent and historical funding levels from federal sources have ranged from \$45-66 million, the 20-year CIP annual need of about \$32.9 million from federal sources appears feasible if existing grant programs remain intact, benefit from timely U.S. Congressional reauthorizations, and annual appropriations do not decrease.

AIAS will need to issue new debt to make this feasible. The sizing of the debt will depend upon detailed projections of future financials to assess the ability of AIAS to service annual debt payments, investor demand, and assessments of risk and sensitivity to anticipated industry or market changes. However, as referenced in **Section 6.3.2** and based debt service coverage¹³

¹³ Ibid.

and credit ratings, AIAS may have debt capacity to support implementation of the CIP through PAL 2 or 2032 at a level that could surpass \$600-900 million¹⁴.

¹⁴ RS&H, Inc. is not a registered municipal advisor under Section 15B of the Securities and Exchange Act and this statement shall not be construed as financial advice or advisory services.